



United States Department of the Interior

GEOLOGICAL SURVEY
Albuquerque District Mining Office
Conservation Division
P. O. Box 69
Albuquerque, New Mexico 87103

FILE COPY
Surname

January 20, 1982

Memorandum

To: Files

From: District Mining Supervisor, Albuquerque District

Subject: Anaconda Copper Company's Jackpile-Paguate Mine,
Pueblo of Laguna Uranium Leases 1, 4, and 8

January 18, 1982, I attended a meeting with the Pueblo of Laguna to discuss closure of the subject mine. The Pueblo's legal representatives and personnel from the Council of Energy Resources Tribes (CERT), the BIA, the Field Solicitor, and other USGS offices were also present (see attached list of attendees).

The Pueblo called the meeting primarily to discuss termination of the subject leases. Anaconda believes that the leases terminate when production in paying quantities ceases. The Field Solicitor agrees with this but also believes that certain lease requirements remain in effect until satisfied. The Pueblo has engaged Messrs. Schifter and West from Washington, D.C., to explore this issue and they presented their interpretation of lease termination. According to Mr. Schifter, the leases do not terminate until the lessee has made provisions for the conservation and protection of the property. This interpretation is based on the language of the leases (Section II and Agreement 13 of Exhibit "C" of the November 28, 1962, agreement between the Pueblo and Anaconda), and Mr. Schifter further interprets that approval of a reclamation plan would constitute provision for the conservation and protection of the property. Mr. O'Hare stated that the Field Solicitor's opinion was based on statute which is quite specific about lease termination. Mr. Schifter did not agree because the continuance of lease requirements without an effective lease is difficult to comprehend legally.

The timing of lease termination is important to the Pueblo's and Anaconda's concerns regarding certain rights and responsibilities both under the effective leases and after lease termination. The Pueblo and Anaconda have been negotiating an agreement to satisfy these concerns. Evidently, these negotiations have increased the Pueblo's concern about the termination question, and Messrs. Schifter and West have been engaged to explore the issue. According to Governor Early, Anaconda has agreed to abide by the Department of Interior Solicitor's opinion on the matter, and Mr. Schifter will attempt to obtain this opinion. Mr. Schifter seemed confident that the Solicitor's opinion would agree with his own interpretation of the leases.



9491848

None of the attendees voiced any objection to this course of action.

Mr. Erasmo Gonzales, Chief of the Review and Analysis Office in Albuquerque, and I discussed Anaconda's royalty account with the Pueblo. We explained that an Inspector General audit of the account had confirmed our concerns about Anaconda's ore stockpile accounting procedures and that a final adjustment of the account would be necessary when all ore stockpiles were depleted. We also explained that the Inspector General's audit had questioned Anaconda's interpretation of the royalty schedule as amended in 1976. This interpretation involves the timing of the royalty payments, and the Inspector General indicated that (b) (4)

(b) (4) Mr. Gonzales explained that his review of the matter indicates that such a (b) (4)

We requested the Pueblo's input on whether or not to pursue this issue due to the uncertainty of the results. The Pueblo requested that Mr. Schifter investigate the 1976 amendment of the royalty schedule to determine if there was any intent to change the timing of the royalty payments. CERT will also explore the issue to aid in the Pueblo's decision.


Dale C. Jones

Attachment

cc:

DCM--Mining, SCR

Task Force Leader, Jackpile-Paguate EIS

Chief, Review and Analysis, Albuq.

Production Reports/Audits File: Anaconda Laguna 1, 4, and 8

Mine Plan File: Anaconda Comprehensive Mine Plan

Lease Correspondence Files: Anaconda Laguna 1,4, and 8 (3)

1/18/82 meeting re: Anaconda closing

NAME

REPRESENTING

Les Taylor

Geo Smith

Wm C Allan

Mac E Nelson

Dale Jones

MOE GONZALES

HARRY D. EARLY

Rm Solomon

AHMED KOOROS

DAVID ROBERTSON

Victor Varracino

C. Jim Johnson

Helene Johnson

Robert Thomas

Melvin McKernie

Richard West

Richard Schitter

Tom O'Hare

Atty - Pueblo of Laguna
USGS

Albug. Area, BIA

USGS - REGIONAL OFFICE

USGS, Albuquerque District

USGS - R&A Albuquerque

Gov. Pueblo of Laguna

POL - LMRO

CERT

CERT

Pueblo of Laguna

" " "

BIA - Laguna Agency

Pueblo of Laguna

BIA - Laguna Agency

Atty - Pueblo of Laguna

Atty - Pueblo of Laguna

Field Solicitor - DOI